

AMENDED IN SENATE JULY 14, 2009

AMENDED IN ASSEMBLY MAY 14, 2009

AMENDED IN ASSEMBLY MAY 6, 2009

AMENDED IN ASSEMBLY APRIL 27, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 7**

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**Introduced by Assembly Member Krekorian**

December 1, 2008

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An act to amend Sections 84506 and 84508 of the Government Code, relating to the Political Reform Act of 1974.

### LEGISLATIVE COUNSEL'S DIGEST

AB 7, as amended, Krekorian. Political Reform Act of 1974.

(1) The Political Reform Act of 1974 requires a broadcast or mass mailing advertisement supporting or opposing a candidate or ballot measure, if paid for by an independent expenditure, to include a disclosure statement that identifies the name of the committee making the independent expenditure and the names of the persons from whom the committee making the independent expenditure has received its 2 highest cumulative contributions of \$50,000 or more during the 12-month period prior to the expenditure. However, if the committee is able to show that contributions from those 2 highest cumulative contributions were spent for other purposes, then the act requires the committee to disclose the names of the contributors making the next largest cumulative contributions of \$50,000 or more. A violation of the act is subject to criminal penalties.

The bill would require, *with specified exceptions*, a broadcast or mass mailing advertisement supporting or opposing a candidate or ballot measure that is paid for by an independent expenditure to include a statement or phrase that clearly identifies the economic or other special interest of the major donors of \$50,000 or more, listing the economic or other special interest in descending order based on the amount of contributions made by the respective donor to the committee, except for a general interest committee. The bill would also require a committee to disclose the Uniform Resource Locator for its Internet Web site and for the Web site to list the committee's principal officer and all donors to the committee who contributed at least \$100.

(2) Existing law makes a violation of the act subject to administrative, civil, and criminal penalties.

The bill would impose a state-mandated local program by placing these penalties on persons who violate the bill.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(4) The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a  $\frac{2}{3}$  vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 84506 of the Government Code is  
2 amended to read:

3 84506. (a) A broadcast or mass mailing advertisement,  
4 *including a radio advertisement*, supporting or opposing a  
5 candidate or ballot measure, that is paid for by an independent  
6 expenditure, shall include a disclosure statement that identifies all  
7 of the following:

8 (1) The name of the committee making the independent  
9 expenditure.

(2) The names of the persons from whom the committee making the independent expenditure has received its two highest cumulative contributions of fifty thousand dollars (\$50,000) or more during the 12-month period prior to the expenditure. If the committee can show, on the basis that contributions are spent in the order they are received, that contributions received from the two donors who made the highest cumulative contributions of fifty thousand dollars (\$50,000) or more to the committee have been used for expenditures unrelated to the candidate or ballot measure featured in the communication, the committee shall disclose the contributors making the next largest cumulative contributions of fifty thousand dollars (\$50,000) or more.

(3) A statement or phrase that clearly identifies the economic or other special interest of the major donors of fifty thousand dollars (\$50,000) or more. If any of those persons is a committee other than a candidate-controlled committee, the person shall be identified by the names of the economic or other special interest who made the highest cumulative contributions of fifty thousand dollars (\$50,000) or more to that person. The statement or phrase shall list each economic or other special interest in descending order based on the amount of the contributions made by the respective donor to the committee. The requirements of this paragraph do not apply to a general purpose committee.

(4) The Uniform Resource Locator for an Internet Web site established by the committee. The Internet Web site shall list the committee's principal officer and all donors to the committee who have contributed a cumulative amount of one hundred dollars (\$100) or more. *The requirements of this paragraph do not apply to radio advertisements.*

(b) If an acronym is used to identify any committee names required by this section, the names of any sponsoring organization of the committee shall be printed on print advertisements or spoken in broadcast advertisements.

SEC. 2. Section 84508 of the Government Code is amended to read:

84508. If disclosure of two major donors is required by Sections 84503 and 84506, the committee shall be required to disclose, in addition to the committee name, only its highest major contributor in any advertisement that is ~~either~~ *any* of the following:

(a) An electronic broadcast of 15 seconds or less.

1     **(b)** *A radio broadcast of 30 seconds or less.*

2     ~~**(b)**~~

3     **(c)** A newspaper, magazine, or other public print media  
4 advertisement that is 20 square inches or less.

5     SEC. 3. No reimbursement is required by this act pursuant to  
6 Section 6 of Article XIII B of the California Constitution because  
7 the only costs that may be incurred by a local agency or school  
8 district will be incurred because this act creates a new crime or  
9 infraction, eliminates a crime or infraction, or changes the penalty  
10 for a crime or infraction, within the meaning of Section 17556 of  
11 the Government Code, or changes the definition of a crime within  
12 the meaning of Section 6 of Article XIII B of the California  
13 Constitution.

14     SEC. 4. The Legislature finds and declares that this bill furthers  
15 the purposes of the Political Reform Act of 1974 within the  
16 meaning of subdivision (a) of Section 81012 of the Government  
17 Code.